Listing of Claims:

1.　(Currently amended)　A method for resolving demand and supply imbalances comprising:

identifying, via logic executing on a host system computer, at least one excess component inventory liability or at least one constraint in supply capability for an end product by matching current buying patterns for said end product against inventory liability and supply capability based on a previous demand forecast;

reducing, via the logic, supply liability for the excess component inventory liability or the constraint in supply capability for an end product using a time-phased approach that begins at 100 percent liability assessment and includes a series of mitigation activities performed over time until the supply liability reaches a specified percentage level, the time-phased approach including a procurement and development assessment sub-process, a liability council assessment sub-process, a sales activities sub-process, and a liability write off sub-process, the time-phased approach implementing:

where excess component inventory liability exists:

refocusing said at least one excess component inventory liability by determining alternative end products that use components identified in said at least one excess component inventory liability; and

executing sales activities operable for enticing sales of said alternative end products; and

where constrained supply capability exists:

determining alternative end products that are functionally equivalent to those identified in said at least one constrained supply capability; and

executing sales activities operable for enticing sales of functionally equivalent alternative end products;

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wherein said sales activities result in reducing said at least one excess component inventory liability or avoiding said at least one constraint in supply capability.

2.   (Original) The method of claim 1, wherein said identifying at least one excess component inventory liability or at least one constraint in supply capability includes:

exploding a bill of materials for a product structure based upon a sales forecast, demand data, and supplier commitment data;

imploding results of said exploding into end products and an available to promise statement;

translating said results into lead times for delivery; and

identifying remaining results not included in said available to promise statement as excess component inventory liability or constraint in supply capability for an end product.

3.   (Currently amended) The method of claim 1, wherein procurement and development assessment sub-process mitigation activities represent a greatest magnitude of liability, the procurement and development assessment sub-process mitigation activities implemented via the logic and includes~~including~~:

rebalancing demand and supply by shifting demand or supply from one geography to another;

selling components back to vendors;

negotiating with vendors to eliminate or reduce liability based upon mutually agreed to incentives that provide incremental value to both parties;

using excess components as field parts in support of a warranty program or servicing requirements;

qualifying excess components in new products; and

adjusting said sales forecast to account for excess or constrained components;

wherein said procurement and development sub-process mitigation activities are performed first in time before other sub-processes.

4.   (Currently amended) The method of claim 3, wherein liability council assessment sub-process mitigation activities represent a magnitude of liability less than that of said procurement and development assessment sub-process, the liability council assessment sub-process mitigation activities implemented in response to receiving information concerning issues due to unresolved mitigation activities performed via the procurement and development assessment sub-process mitigation activities, the liability council assessment sub-process mitigation activities implemented via the logic and include~~including~~:

updating said sales forecast to account for excess or constrained components;

conducting squared sets analysis;

brokering components or products that are no longer saleable;

creating saleable bundles with other current offerings;

developing option packages;

determining alternative routes to market; and

making liability write-off determinations;

wherein said liability council assessment sub-process mitigation activities are performed second in time after said procurement and development assessment sub-process.

5.   (Currently amended) The method of claim 3, wherein sales activities sub-process mitigation activities represent a magnitude of liability less than that of said liability council assessment sub-process, the sales activities sub-process mitigation activities implemented in response to receiving sales recommendations resulting from the liability council assessment sub-

process, the sales activities sub-process mitigation activities <u>implemented via the logic and</u> <u>include</u><s>including</s>:

developing a promotion for long-term over supply through advertisements and communications media;

offering a solution via alternate routes to market;

authorizing pricing actions comprising at least one of:

price decreases;

discount incentives; and

pricing delegations;

establishing incentives for buying or selling;

reassessing commission structures for an offering; and

updating telesales team scripts for inbound and outbound telephone calls;

wherein said sales activities sub-process mitigation activities are performed third in time after said liability council assessment sub-process.

6.   (Currently amended) The method of claim 3, wherein liability write off sub-process mitigation activities represent a magnitude of liability less than that of said sales activities, the liability write off sub-process mitigation activities <u>implemented via the logic and</u> <u>include</u><s>including</s>:

negotiating with a vendor; and

scrapping components associated with said liability;

wherein said liability write off sub-process mitigation activities are performed fourth in time after said sales activities sub-process.

7. (Cancelled)

8. (Cancelled)

9. (Cancelled)

10. (Cancelled)

11. (Original) The method of claim 1, wherein said sales activities include:

cross-sell;

up-sell;

alternative-sell; and

down-sell.

12.   (Withdrawn) A demand conditioning process system for resolving demand and supply imbalances comprising:

a supply liability reduction process executable upon identifying at least one excess component inventory liability, said supply liability reduction process comprising:

a procurement and development assessment sub-process and associated mitigation activities, said procurement and development assessment sub-process representing a greatest magnitude of liability;

a liability council assessment sub-process and associated mitigation activities, said liability council assessment sub-process representing a magnitude of liability less than that of said procurement and development assessment sub-process;

a sales activities sub-process and associated mitigation activities, said sales activities sub-process representing a magnitude of liability less than that of said liability council assessment sub-process; and

a liability write-off sub-process and associated mitigation activities, said liability write-off sub-process representing a magnitude of liability less than that of said sales activities sub-process;

wherein said supply liability reduction process performs at least one sub-process in an order of said magnitude of liability, said at least one sub-process reducing said at least one excess component inventory liability by:

determining alternative end products that use components identified in said at least one excess component inventory liability; and

executing sales activities operable for enticing sales of said alternative end products.

13.   (Withdrawn) A storage medium comprising machine-readable computer program code for resolving demand and supply imbalances, the storage medium including instructions for causing a computer to implement a method, comprising:

identifying at least one excess component inventory liability or at least one constraint in supply capability for an end product by matching current buying patterns for said end product against inventory liability and supply capability based on a previous demand forecast;

where excess component inventory liability exists:

refocusing said at least one excess component inventory liability by determining alternative end products that use components identified in said at least one excess component inventory liability; and

executing sales activities operable for enticing sales of said alternative end products; and

where constrained supply capability exists:

determining alternative end products that are functionally equivalent to those identified in said at least one constrained supply capability; and

executing sales activities operable for enticing sales of functionally equivalent alternative end products;

wherein said sales activities result in reducing said at least one excess component inventory liability or avoiding said at least one constraint in supply capability.

14.   (Withdrawn) The storage medium of claim 13, wherein said identifying at least one excess component inventory liability or at least one constraint in supply capability includes:

exploding a bill of materials for a product structure based upon a sales forecast, demand data, and supplier commitment data;

imploding results of said exploding into end products and an available to promise statement;

translating said results into lead times for delivery; and

identifying remaining results not included in said available to promise statement as excess component inventory liability or constraint in supply capability for an end product.

15.   (Withdrawn) The storage medium of claim 13, wherein said refocusing said at least one excess component inventory liability by determining alternative end products that use components identified in said at least one excess component inventory liability includes performing a supply liability reduction process comprising:

a procurement and development assessment sub-process including mitigation activities, said procurement and development assessment sub-process mitigation activities representing a greatest magnitude of liability;

wherein said procurement and development sub-process mitigation activities are performed first in time before other sub-processes.

16.   (Withdrawn) The storage medium of claim 15, wherein said performing a supply liability reduction process further includes:

a liability council assessment sub-process including mitigation activities, said liability council assessment sub-process mitigation activities representing a magnitude of liability less than that of said procurement and development assessment sub-process;

wherein said liability council assessment sub-process mitigation activities are performed second in time after said procurement and development assessment sub-process.

17.   (Withdrawn) The storage medium of claim 15, wherein said performing a supply liability reduction process further includes:

a sales activities sub-process including mitigation activities, said sales activities sub-process mitigation activities representing a magnitude of liability less than that of said liability council assessment sub-process;

wherein said sales activities sub-process mitigation activities are performed third in time after said liability council assessment sub-process.

18.   (Withdrawn) The storage medium of claim 15, wherein said performing a supply liability reduction process further includes:

a liability write off sub-process including mitigation activities, said liability write off sub-process mitigation activities representing a magnitude of liability less than that of said sales activities;

wherein said liability write off sub-process mitigation activities are performed fourth in time after said sales activities sub-process.

19.   (Withdrawn) The storage medium of claim 15, wherein said procurement and development assessment sub-process mitigation activities comprise at least one of:

rebalancing demand and supply by shifting demand or supply from one geography to another;

selling components back to vendors;

negotiating with vendors to eliminate or reduce liability based upon mutually agreed to incentives that provide incremental value to both parties;

using excess components as field parts in support of a warranty program or servicing requirements;

qualifying excess components in new products; and

adjusting said sales forecast to account for excess or constrained components.

20.   (Withdrawn) The storage medium of claim 16, wherein said liability council assessment mitigation activities comprise at least one of:

updating said sales forecast to account for excess or constrained components;

conducting squared sets analysis;

brokering components or products that are no longer saleable;

creating saleable bundles with other current offerings;

developing option packages;

determining alternative routes to market; and

making liability write-off determinations.

21.   (Withdrawn) The storage medium of claim 17, wherein said sales activities sub-process mitigation activities sub-process comprise at least one of:

developing a promotion for long-term over supply through advertisements and communications media;

offering a solution via alternate routes to market;

authorizing pricing actions comprising at least one of:

price decreases;

discount incentives; and

pricing delegations;

establishing incentives for buying or selling;

reassessing commission structures for an offering; and

updating telesales team scripts for inbound and outbound telephone calls.

22.   (Withdrawn) The storage medium of claim 18, wherein said liability write off mitigation activities comprise at least one of:

negotiating with a vendor; and

scrapping components associated with said liability.

23.   (Withdrawn) The storage medium of claim 15, wherein said sales activities include:

cross-sell;

up-sell;

alternative-sell; and

down-sell.